

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 39314
REDACTED,)	
)	
Petitioner.)	DECISION
_____)	

On August 15, 2014, the Idaho State Tax Commission (the Commission) issued a Notice of Deficiency Determination (Notice) to Redacted (Petitioner) proposing income taxes and interest for taxable years 2006, 2007, 2008, 2009, and 2010, in the total amount of \$6,223. The Commission hereby issues its decision and approves this Notice as set forth herein.

BACKGROUND

The Tax Discovery Bureau (the Bureau) reviewed Petitioner's income tax filing history and identified that the Commission had no record of receiving Idaho individual income tax returns for 2006, 2007, 2008, 2009, and 2010. The Bureau investigated whether Petitioner received income for these tax years and obtained a transcript of Petitioner's Redacted income records from the Redacted. The information was provided in accordance with Redacted § 63-6103(d) and Idaho Code § 63-3077. These records indicated that Petitioner received ordinary income for the years at issue which he had not reported.

The Bureau made efforts to prompt the Petitioner into filing Redacted tax returns. On June 23, 2014, the Bureau notified Petitioner that Redacted had failed to file Idaho income tax returns for the years of 2006 through 2010. Petitioner did not respond to the Bureau's correspondence, so the Bureau sent Petitioner its Notice on August 15, 2014, asserting that Petitioner owed Idaho income tax, penalties, and interest in the amount of \$6,223. The Notice was based on the information the Commission received from Redacted.

In response to the Notice, and as a result of the Bureau's efforts to contact Petitioner, the Bureau received notice that Petitioner was protesting the determination; the Bureau also received an executed power-of-attorney. Petitioner objected to the penalties and interest assessed against Redacted but did not file Redacted Idaho individual income tax returns, nor submit any evidence to substantiate Redacted objections.

On June 8, 2015, the Commission sent Petitioner a letter explaining Redacted right to a hearing and Redacted right to provide additional statements, documents, or other material to the Commission for its review. In response to this letter, Petitioner requested an opportunity to provide additional information. Despite this request, no additional information has been received.

ANALYSIS

Idaho Code § 63-3030(a)(1) requires that each individual who is a resident of Idaho file an Idaho income tax return if he or she is required to file a Redacted return. If a resident of Idaho fails to file his or her Idaho individual income tax return, then the Commission may request and examine the financial information of the non-filing taxpayer and prepare a return. Idaho Code § 63-3042.

Additionally, if a return is not filed on or before the due date, Idaho Code § 63-3046(c)(1) permits the state to assess a penalty of five percent of the tax due to be added for each month after the due date until the return is filed. This penalty may not exceed 25 percent of the tax due for any single year. Idaho Code § 63-3046(g).

Petitioner has failed to file an Idaho individual income tax return for taxable years 2006, 2007, 2008, 2009, and 2010. Since Petitioner failed to file a return for these years, the Bureau has properly prepared returns for these years based off of the financial information available to it.

Petitioner, despite being afforded several opportunities, has failed to provide any information that would allow the Commission to recalculate Petitioner's tax liability for taxable years 2006, 2007, 2008, 2009, and 2010. Additionally, as consequence of Petitioner's failure to file, a 25 percent penalty for failing to file has properly been assessed by the Commission.

THEREFORE, the Notice of Deficiency Determination for taxable year 2010, dated December 7, 2012, and directed to Redacted is APPROVED and MADE FINAL.

IT IS ORDERED that the Petitioner pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	\$ 920	\$230	\$167	\$1,317
2009	968	242	227	1,437
2008	1,084	271	305	1,660
2007	925	231	320	1,476
2006	336	84	144	<u>564</u>
			TOTAL DUE	<u>\$6,454</u>

Interest is calculated through January 31, 2016.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the Petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____ 2015.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____ 2015, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

Redacted

Receipt No.
